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Entered on Docket

October 02, 2007

GLORIA L. FRANKLIN, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

Signed and Filed: October 01, 2007

THOMAS E. CARLSON
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

10 In re)	Case No. 06-30904 TC
11 SOPHIE H. NG,)	Chapter 11
12)	
13)	Date: September 28, 2007
14)	Time: 10:30 a.m.
15)	Ctrm: Hon. Thomas E. Carlson
Debtor.)	235 Pine Street
)	San Francisco, CA

ORDER CONFIRMING SALE TO TRUSTEE'S BUYER,
OVERRULING OBJECTION AND AUTHORIZING PAYMENT OF REAL ESTATE
COMMISSION TO TRUSTEE'S BROKER
(1385 Clay Street, San Francisco, CA)

On September 21, 2007 at the hour of 10:30 a.m., a hearing was held concerning, among other things, an Objection to Sale filed by Patricia Hewlett (the "Objection"). James Attridge appeared on behalf of Patricia Hewlett. Jeffrey L. Fillerup and Michael A. Isaacs appeared on behalf of the Trustee, who also appeared. The Debtor, Sophie H. Ng, appeared on her own behalf. John Christian, Tobin & Tobin, appeared on behalf of United Commercial Bank. Dennette A. Mulvaney, Bisno, Samberg & Mulvaney, LLP, appeared on behalf of Imperial Capital Bank.

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1 The hearing held on September 21, 2007 followed a hearing on
2 September 14, 2007, at which time the Trustee presented to the
3 Court an offer to purchase the real property commonly known as 1385
4 Clay Street, San Francisco, California (the "Clay Property"), as
5 more specifically described in **Exhibit A** attached hereto. The
6 offer from A.J. Batt for the account of Romel California LLC
7 ("Mr. Batt") was accepted by the Trustee and approved by the Court,
8 subject to an overbid to be presented by Patricia Hewlett on
9 September 17, 2007.

10 After the auction on September 17, 2007, Ms. Hewlett filed her
11 Objection to Sale. The Trustee responded by filing her Trustee's
12 Response to Objection to Sale, Declaration of Janina M. Elder
13 Regarding Patricia Hewlett's Objection to Sale, and the Declaration
14 of Mark Benson Regarding Patricia Hewlett's Objection to Sale.

15 The Court having considered the foregoing documents, arguments
16 of counsel at the time of the hearing, and the Court finding that
17 the sale by the Trustee to Mr. Batt fell within the Trustee's
18 business judgment, and good cause appearing therefor, it is

19 ORDERED as follows:

20 1. The Objection is overruled.

21 2. The Trustee is authorized to sell the real property
22 commonly known as 1385 Clay Street, San Francisco, California to
23 A.J. Batt or his designee for the sum on \$4,680,000.

24 3. The Trustee is authorized to take any and all steps
25 and execute any and all documents necessary or appropriate to carry
26 out the sale confirmed by this Order, including, in her
27 determination, completing the sale of the Clay Property at the

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1 purchase price of \$4,600,000 and providing for a hold back up to
2 \$80,000, as contemplated by the sale contract at issue.

3 4. As provided for in this Court's prior order entered
4 August 20, 2007 in Paragraph 2(a)-(h), the sale shall be free and
5 clear of the following liens:

6 "a. A Deed of Trust recorded in the Official Records on
7 November 3, 2003 in favor of United Commercial Bank in the
8 amount of \$2,150,000 as Instrument No. 2003-H578650-00 and
9 assigned to U.F. Service Corporation as Trustee;

10 b. A Deed of Trust recorded in the Official Records on
11 December 5, 2003 in favor of Edward Tunney, Ann Marie Tunney,
12 Anne Fisher and Lombard Street Loan Co., in the amount of
13 \$600,000 as Instrument No. 2003-H607840-00 and assigned to
14 Chicago Title Company as Trustee. An assignment of a 1/8
15 interest in the Deed of Trust from Lombard Street Loan Co. to
16 Pat Gregor was recorded on December 18, 2003. An assignment
17 of a 1/16 interest in the Deed of Trust from Lombard Street
18 Loan Co. to Catherine P. Howe and an assignment of a 1/16
19 interest in the Deed of Trust from Lombard Street Loan Co. to
20 Gary P. LaGree were recorded on January 29, 2004;

21 c. A Deed of Trust recorded in the Official Records on
22 December 5, 2003 in favor of Ward Realty and Lombard Street
23 Loan Co. in the amount of \$60,000 as Instrument No. 2003-
24 H606841-00 and assigned to Chicago Title Company as Trustee.
25 The records reflect that, on February 8, 2005, Lombard Street
26 Loan Co. assigned a 30,000/60,000 interest in the Deed of
27 Trust to John Kalayjian;

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1 d. A Financing Statement recorded by United Commercial
2 Bank on March 5, 2004 as Instrument No. 2004-H670769-00;

3 e. An Abstract of Judgment recorded in the Official
4 Records on February 24, 2005 in favor of Nick Meyers in the
5 amount of \$3,070 as Instrument No. 2005-H910139-00;

6 f. An Abstract of Judgment recorded in the Official
7 Records on March 30, 2005 in favor or Satoshi Miyauchi in the
8 amount of \$1,989.25 as Instrument No. 2005-H929839-00;

9 g. A Deed of Trust recorded in the Official Records on
10 January 17, 2006 in favor of Lombard Street Loan Co. in the
11 amount of \$26,920 as Instrument No. 2006-I113000-00 and
12 assigned to Fidelity National Title Company as Trustee; and

13 h. A Deed of Trust recorded in the Official Records on
14 January 17, 2006 in favor of Lombard Street Loan Co. in the
15 amount of \$50,000 as Instrument No. 2006-I113001-00 and
16 assigned to Fidelity National Title Company as Trustee. An
17 assignment of the Deed of Trust to Lombard Street Employees
18 Plan was recorded on May 2, 2006."

19 5. As provided for in Paragraph 5 of this Court's prior
20 order entered August 20, 2007, the sale shall be free and clear of
21 all interests of Patricia Hewlett.

22 6. Except to the extent the liens are paid from escrow, the
23 liens listed in Paragraphs 4(a)-(h) above, and the interests of
24 Ms. Hewlett listed in Paragraph 5 above, shall attach to the
25 proceeds of sale from the Clay Property, in the same amount, and to
26 the same extent, validity, and priority as they attached to the
27 Clay Property.

28 7. The Trustee is authorized to pay to any lienholder

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1 against the Clay Property, whether from escrow for the sale of the
2 Clay Property or otherwise, the undisputed amount secured by any
3 lien against the Clay Property.

4 8. Any title company or escrow agent utilized by the Trustee
5 for the escrow noted herein shall be directed by the Trustee to
6 turn over to the Trustee any sale proceeds not disbursed pursuant
7 to Paragraph 7 above.

8 9. The Trustee is authorized to disburse from escrow 2.5% of
9 the purchase price to her broker, Mark Benson, whose employment was
10 authorized by the Court on May 29, 2007.

11 ****END OF ORDER****

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Title No. 07-36903601-RG
Locate No. CACT17738-7741-2370-0036903601

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

COMMENCING at the point of intersection of the Southerly line of Clay Street and the Easterly line of Leavenworth Street; running thence Easterly along said line of Clay Street 100 feet; thence at a right angle Southerly 35 feet 6 inches; thence at a right angle Westerly 100 feet to the Easterly line of Leavenworth Street; thence at a right angle Northerly along said line of Leavenworth Street 35 feet 6 inches to the point of commencement.

BEING portion of 50 Vara Block No. 246.

APN: Lot 29, Block 220

**** COURT SERVICE LIST ****

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